

Introduced by Senator Liu

February 7, 2011

An act to add Article 3.5 (commencing with Section 66027) to Chapter 2 of Part 40 of Division 5 of Title 3 of the Education Code, relating to public postsecondary education.

LEGISLATIVE COUNSEL'S DIGEST

SB 181, as introduced, Liu. Public postsecondary education: student fee policy.

Existing law, known as the Donahoe Higher Education Act, provides for a public postsecondary education system in this state. This system consists of the University of California, the California State University, and the California Community Colleges. Existing law authorizes these institutions to require that mandatory systemwide fees, among other fees, be paid by students at these institutions. The provisions of the Donahoe Higher Education Act apply to the University of California only to the extent that the Regents of the University of California act by resolution to make them applicable.

This bill would prohibit any increase in the mandatory systemwide fees charged to a resident undergraduate student enrolled in the University of California or the California State University adopted on or after July 1, 2012, from being effective before 3 months have elapsed after the date on which the fee increase is adopted. The bill would also require the regents and the Trustees of the California State University to develop methodologies for the adjustment of fees in accordance with a prescribed procedure. The bill, commencing with the 2012–13 academic year, would require the Legislative Analyst's Office to annually review, and report to the Legislature, its findings, conclusions,

or recommendations regarding the implementation of policies implemented pursuant to the bill.

This bill would provide that its provisions would not apply to the University of California, except to the extent that the regents adopt a resolution making them applicable. The bill would request the regents to adopt policies that are consistent with this bill.

These provisions would become operative on July 1, 2012.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. The Legislature finds and declares all of the
2 following:

3 (a) The state has long recognized the value of providing broad
4 access to postsecondary education to the state's citizens. It has
5 demonstrated that commitment by investing in postsecondary
6 education and maintaining public student fee levels that are fiscally
7 responsible and affordable. The student fee principles expressed
8 herein seek to continue the state's historic commitment to ensuring
9 access and maintaining quality throughout the state's public
10 universities while recognizing the fiscal challenges that confront
11 both the state and postsecondary education.

12 (b) Historically, the state has borne the preponderance of
13 responsibility for providing the fiscal resources necessary to ensure
14 that all eligible state residents have access to high-quality
15 educational opportunities at the state's public colleges and
16 universities. Further, the state bears the principal and overarching
17 responsibility for ensuring that all financially needy students have
18 the financial assistance necessary for them to enroll in institutions
19 of higher education and complete their postsecondary education
20 objectives.

21 (c) Changes in resident student fees or in student financial aid
22 funding or packaging policies should take into consideration the
23 total cost to the student of attending the university, including
24 mandatory campus-based student fees, housing and living expenses,
25 as well as all other expenses associated with university attendance.

26 (d) Any necessary increases in mandatory systemwide fees
27 should be accompanied by appropriate increases in funding for
28 need-based student financial aid.

1 SEC. 2. Article 3.5 (commencing with Section 66027) is added
2 to Chapter 2 of Part 40 of Division 5 of Title 3 of the Education
3 Code, to read:

4
5 Article 3.5. Student Fee Policy
6

7 66027. The following state policies regarding mandatory
8 systemwide resident fees and financial aid are established for
9 undergraduate students enrolled in the state's public universities:

10 (a) The total cost of a public postsecondary education should
11 be a shared responsibility of students, families, and the State of
12 California. However, in order to keep resident undergraduate
13 student fees at the state's public universities as low and affordable
14 as possible, the state shall bear the preponderance of responsibility
15 for funding postsecondary education.

16 (b) So that students and their families can better prepare
17 financially for college expenses, any changes in resident student
18 fees should be gradual, moderate, and predictable. Any potential
19 adjustments in resident student fees should take into consideration,
20 and be balanced with, available state General Fund revenues to
21 ensure that the access, quality, and affordability of the state's public
22 universities are not adversely affected.

23 (c) Changes in resident student fees should take into
24 consideration a number of factors, including the total cost of
25 educating a student, the appropriate share of the cost of instruction
26 to be paid by the student, and information concerning families'
27 ability to pay. Student financial aid policy and programs should
28 ensure affordability for students from all income levels.
29 Recognition of these indicators will better ensure that changes in
30 resident student fees are gradual and moderate.

31 (d) As changes in resident student fees and financial aid
32 resources are considered, the state should have an understanding
33 of the impact that these changes will have on both current and
34 prospective students. Efforts should be employed to mitigate any
35 negative impact on financially needy students.

36 (e) In order to ensure that access is not precluded for any eligible
37 student, but particularly financially needy students, all current and
38 prospective students should be provided with timely information
39 concerning student financial aid, including the processes associated
40 with applying for and obtaining student financial assistance.

1 (f) Student fee and financial aid policies should encourage and
2 promote a student's timely completion of the requirements
3 necessary for degree attainment.

4 (g) To ensure that financially needy students are provided with
5 assistance in managing the total cost of their university attendance,
6 financial aid programs, including institutional aid, should be
7 aligned with the distinct financial needs of the systems' student
8 populations and student fee levels.

9 (h) Revenues derived from student fees should remain within
10 the respective university system's budget in order to provide
11 benefits to the students enrolled within the system.

12 66027.1. Any increase in the mandatory systemwide fees
13 charged to a resident undergraduate student enrolled in the
14 University of California or the California State University that is
15 adopted on or after July 1, 2012, shall not become effective before
16 three months have elapsed after the date on which the fee increase
17 is adopted.

18 66027.2. To carry out the responsibilities of this section, the
19 regents and the trustees shall each develop a rational and
20 transparent methodology for adjusting mandatory systemwide
21 resident student fees consistent with the student fee policy
22 principles set forth in Section 66027. These methodologies shall
23 be developed in consultation with appropriate student
24 representatives through student fee advisory committees and, once
25 developed, shall be formally adopted by the regents and the
26 trustees, respectively, in open public meetings. The annual budgets
27 of the segments shall be drafted on the basis that fees will change
28 in accordance with the methodology established under this section,
29 and shall specify the purposes for which any revenues derived
30 from an increase in fees will be used.

31 66027.3. Following the final action of its governing body, each
32 system shall employ appropriate procedures to notify students of
33 the student fees to be assessed in the upcoming academic year. In
34 addition, each system shall simultaneously provide students with
35 information concerning the availability of student financial aid
36 and the procedures for obtaining that aid in order to assist students
37 with meeting the increased costs of university attendance.

38 66027.4. (a) Commencing with the 2012–13 academic year,
39 the regents and the trustees shall annually provide the Legislative

Analyst's Office, prior to February 1, with estimates of the total cost of education, categorized in both of the following ways:

(1) Specifically by per student undergraduate and graduate education costs.

(2) By fixed costs, variable costs, administrative costs, instructional costs, and student services costs.

(b) Commencing with the 2013–14 academic year, the Legislative Analyst's Office shall annually review, prior to March 1, institutional compliance with the policies set forth in this article, and report, in writing, to the Legislature, findings, conclusions, or recommendations regarding the implementation of these policies. This report shall include an assessment of the information provided by the regents and the trustees pursuant to subdivision (a).

(c) A report submitted pursuant to subdivision (b) shall be submitted in compliance with Section 9795 of the Government Code.

66027.5. As used in this article, the following terms have the following meanings:

(a) (1) "Average total cost of education" means the amount calculated by dividing the total cost of education for the University of California or the California State University, whichever is applicable, by the total number of full-time equivalent students enrolled at that segment.

(2) For purposes of paragraph (1), "total cost of education" means, for the University of California and the California State University, the sum of appropriations and projected revenues from all of the following:

(A) The General Fund.

(B) Higher education fees and income.

(C) The California State Lottery Education Fund.

(b) "Mandatory systemwide fees" means the fees that all students enrolled in the California State University or the University of California are required to pay in order to enroll in courses for the academic term pursuant to any law or any policy adopted by the governing boards of the respective segments.

(c) "Regents" means the Regents of the University of California.

(d) "Resident" means a student who is exempt from paying nonresident tuition pursuant to Chapter 1 (commencing with Section 68000) of Part 41.

1 (e) “Trustees” means the Trustees of the California State
2 University.

3 66027.6. (a) This article shall not apply to the University of
4 California, except to the extent that the regents, by appropriate
5 resolution, make this article applicable.

6 (b) The regents are requested to adopt policies governing
7 increases in mandatory systemwide fees that are consistent with
8 this article.

9 66027.7. This article shall become operative on July 1, 2012.